



**LATE**

**HOUSE COMMITTEE ON FINANCE**

February 22, 2013, 1:30 P.M.

Room 308

**(Testimony is 2 pages long)**

**TESTIMONY IN SUPPORT OF HB 551 HD2**

Chair Luke, Vice Chairs Nishimoto and Johanson, and members of the Finance Committee:

The Blue Planet Foundation supports HB 551 HD2, a measure which assesses a lower rental surcharge tax for cars used on an hourly basis through sharing organizations. We believe this measure is a fair policy and will help remove a barrier to the establishment of car sharing organizations and services in Hawaii.

Blue Planet's mission is to end the use of fossil fuels on Earth, starting by making Hawai'i a role model for energy independence. While much of our work has been focused on renewable energy and reducing electricity use, transportation in Hawaii (cars, trucks, ships, and planes) accounts for approximately two-thirds of the oil consumed. In 2011, Hawaii cars burned over 470 million gallons of gasoline. For a typical car, that's enough gasoline to cover the distance equivalent to over 21,000 round trips to the moon. As of February 2012, there are 995,790 registered passenger vehicles in Hawaii. If these vehicles were put bumper-to-bumper it would form a line approximately from Honolulu to Las Vegas.

Many individuals and households in Hawaii don't need to own a car, they would just like access to a vehicle when needed. Similarly, many folks own a low fuel economy truck because they need the capacity for work (or play), but then end up using the larger vehicle mostly for passenger or in-town use. Car sharing programs would provide another mobility alternative for individuals and households, and perhaps for some, obviating the need to purchase and own a vehicle. Car sharing provides the benefits of having a vehicle when needed while avoiding the cost and hassle of car ownership. House Bill 551 HD2 helps to remove a cost barrier to car sharing by assessing a lower vehicle surcharge tax (12.5 cents per hour) for this purpose.

Car sharing is designed to replace car ownership for people who do not need to drive to work every day, and to reduce congestion and fossil fuel consumption. Car Sharing pilot projects like Witkar began as early as the 1960's and 1970's, but modern car sharing programs launched in 1987 in Switzerland and later in 1988 in Germany, and came to North America via Quebec City in 1994. (The first successful car share in the United States was Portland, Oregon's CarSharing-PDX.) As of July 1, 2011 (based on an analysis by Susan Shaheen of the University of

California, Berkeley) 26 U.S. car sharing programs claimed 560,572 members sharing 10,019 vehicles; and 78,840 members shared 2,605 vehicles among 20 car sharing organizations in Canada .

While Blue Planet has not analyzed the legal aspects of car sharing in Hawaii, we understand that California enacted car sharing enabling legislation in 2010. It may be worth considering amendments to this measure that include some of the policy changes enacted in California to remove other possible hurdles to car sharing. Blue Planet is more than happy to help the Committee with these amendments.

Thank you for the opportunity to testify.



# Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803  
808.538.6616 hawaii.chapter@sierraclub.org

**LATE**

## HOUSE COMMITTEE ON FINANCE

February 22, 2013, 1:30 P.M.  
(Testimony is 1 page long)

### TESTIMONY IN SUPPORT OF HB 551, HD2

Aloha Chair Luke and Committee Members -

The Sierra Club, Hawai'i Chapter, with over 10,000 members and supporters, *supports* HB 551, HD1. This bill would exempt cars rented on an hourly basis to be exempt from the rental motor vehicle and tour vehicle tax.

Car-sharing is a green transportation innovation that significantly reduces vehicle miles travelled, oil imports, greenhouse gas emissions and household transportation costs for Hawaii residents. However, the State has a flat rental car surcharge on all car-sharing rentals regardless of how long the car is rented. Car-sharing has a unique cost-structure and potential users already price sensitive, so applying this tax will effectively prevent car-sharing from ever succeeding in the State.

HB 551 wisely changes the law to create a distinction between traditional car rental and car-sharing. It exempts car-sharing rentals made to members of car-sharing organizations on an hourly basis from being subjected to a flat rental car surcharge.

The rental car surcharge was intended to target the tourist car rental market. In fact, as the law is written, it exempts individuals who are renting a car to replace a vehicle that is being repaired from paying the tax. Clearly then, the tax is not aimed at local residents who are using vehicles to serve everyday transportation needs. And clearly therefore, the tax should not be applied towards car-sharing users either.

We respectfully ask for the Committees to move this bill forward. Mahalo for the opportunity to testify.